

Message Text

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71

ACTION EUR-25

INFO OCT-01 NEA-14 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 DRC-01 /170 W

----- 051704

R 191749Z JUL 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 2296

INFO AMEMBASSY KUWAIT

C O N F I D E N T I A L LONDON 09155

E.O. 11652: XGDS 1

TAGS: ENRG

SUBJECT: HMG REACTION KUWAITI OIL SETTLEMENT

REF: A) KUWAIT 3026; B) STATE 155935

1. DURING CONSULTATION CALL JULY 19 MAU (ENROUTE TO KUWAIT AS DCM) TOLD BY FCO OFFICIALS WRIGHT (HEAD, MIDDLE EAST DEPARTMENT) AND EGERTON (HEAD, ENERGY DEPARTMENT) THAT HMG GREATLY DISTRESSED BY GULF DECISION ACCEPT KUWAITI BUY-BACK TERMS DESCRIBED REFTTEL (A). LATTER, IN PARTICULAR, FELT HMG WOULD BE HARD PRESSED TO DEFEND BP PARTICIPATION IN AGREEMENT BEFORE EC ENERGY MEETING SCHEDULED TO BE HELD BRUSSELS JULY 23. BOTH OFFICIALS EXPRESSED VIEW KUWAITI SETTLEMENT WOULD ESTABLISH BUY-BACK PRICE FOR FUTURE OPEC NEGOTIATIONS - INCLUDING ARAMCO/SAG AND QPC/QATAR. THEY HOPED, BUT DOUBTED, MORE FLORABLE TERMS CAN BE NEGOTIATED FOR FOURTH QUARTER SALES CURRENT YEAR.

2. BP OFFICIALS WALLER (ASSISTANT MANAGER) AND PORTER (REGIONAL COORDINATOR, MIDDLE EAST) MORE SYMPATHETIC TO
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"GULF" DECISION, BUT ALSO PESSIMISTIC CONCERNING SHORT

TO MEDIUM TERM IMPLICATIONS OF SETTLEMENT.

3. FCO OFFICIALS SAID HMG DEVELOPING STATEMENT FOR
PUBLIC ISSUANCE ALONG LINES OF USG STATEMENT CONTAINED
REFTEL (B).

SOHM

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, AGREEMENTS, NEGOTIATIONS, PRICES, CREDIT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: X1
Errors: N/A
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